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ABSTRACT

This paper discusses fee-based services in public libraries. The first section examines examples of charging for public library services in three countries: the United Kingdom, the Republic of Ireland; and New Zealand. The intention is to consider the circumstances in which charging was introduced, the public's response in terms of the effect on usage, and an evaluation of whether the scheme is regarded as successful. The overall objective is to provide hard facts and statistics, in order that future decisions can be made without recourse to the emotional arguments of the past, which are largely based on purely philosophical grounds. The second section describes the Singapore experience, including: the rationales for charging, e.g., as a means of reducing extravagant wants to the level of realistic means, and for controlling the demand for the limited number of terminals for providing access to electronic information; the fee schedule for small services that tend to be free in other countries; the use of a national cashcard for payments; and other initiatives, e.g., the Home Delivery Service, three-tiered reference service with charges for higher tiers, creation of an inquiry database, and establishment of a call center to deal with remote inquiries. (Contains 33 references.) (MES)

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Proceedings

The Entrepreneurial Public Library: the Policy and Practice of Fee-based Services

Margaret Butterworth

In most developed countries of the world, public spending cuts are having an adverse effect on public libraries, resulting in decreases in staffing, opening hours and materials budgets. Present funding levels for public libraries are generally inadequate to finance expansion into the electronic sphere, which requires huge sums to be spent on technology. Furthermore, the public is becoming more demanding and expectations are growing about the type of service they require. This is at a time when access to information is vitally important at all levels of the global economy. People who need quality information are disappointed in public provision and are increasingly turning elsewhere, either to search for it themselves in the chaotic world of the Internet, or to private search and consultancy services who provide reliable and timely information at a fee. This phenomenon may be viewed as part of

> an apparently inexorable shift *away from public towards private provision* of goods and services throughout society... The effects are palpable in utilities such as gas and electricity (privatisation, liberalisation and so forth); they are evident too in higher education (it is increasingly self-funded, with students defined as 'customers' who must take responsibility for their 'investment' in degree programmes); and they are clear too in television where subscription and pay-per-view advance at the expense of public service broadcasting.

(Webster, 1999, p.1).

The library profession needs to find strategies to respond to this situation, yet the complexity of the issue prevents it from arriving at a common consensus. On the one hand, there is a clinging to one of librarianship's oldest and most precious beliefs - that access to information should be free, as a basic right of citizenship. Those who subscribe to this view may see lobbying politicians as the only way forward, whilst others in this camp may position themselves as being efficient managers of leaner and meaner organisations who will practise survival to the bitter end. On the other hand, there are examples of enterprise within the profession, where managers find innovative ways of supplementing their budget and are supported by clients who are happy to pay if they receive a better service.

Part One: Examples from the U.K., Ireland and New Zealand

This section examines examples of charging for public library services in three countries: the United Kingdom, the Republic of Ireland and New Zealand. The intention is to consider the circumstances in which charging was introduced, the public's response in terms of the effect on usage and an evaluation of whether the scheme is regarded as successful, as far as these aspects can be determined from the literature. The overall objective is to provide hard facts and statistics, which are largely lacking in the debate on user pays, in order that future decisions can be made without recourse to the emotional arguments of the past, which have been largely made on purely philosophical grounds.

In an attempt to find a context for these examples, statistics have been sought which might provide a norm as to the percentage of public library budgets which is raised through fees or other entrepreneurial activities. Information on this is patchy, however. American public libraries currently receive 93% of their operating funds from various levels of government. Only 3% comes

from fees and charges, while some 4% is attributable to private donations and other sources, (Kinnucan, et al, 1998, p.187). By way of contrast, we might consider the case of Holland, where no free lending of printed materials is available. An annual membership fee was the main charge until 1987, when the Welfare Act made local authorities responsible for library funding. Charges were extended to fees per borrowed item. Most libraries are independent institutions which decide on their own method of financing, leading to great variation in charging. The Dutch accept charges, which are used both to generate income and to regulate demand, (Egholm and Jochumsen, 1997). Taking an Australian example, the 1997-98 financial report of the City of Stirling, in the Perth metropolitan area, shows that income raised is just over 4% of budget. It is likely that this figure might be higher, and more on a par with the British statistics provided below, but for the fact there is no income from fines.

United Kingdom

The normal loan of books has traditionally been regarded as a core service which should remain free of charge in the United Kingdom. Nevertheless, opportunities for charging fees have been found in the area of audiovisual materials and, more recently, for Internet access. Nowadays, no-one would enter a British public library with the expectation that borrowing a music CD or a videocassette would be free. In his most recent review of information technology in British public libraries, Batt comments:

> It is quite reasonable for the service manager to make a judgement that the only means of sustaining the service is to make a charge - we have done it for years with audio material and in some libraries with language courses.

(Batt, 1998, p. 37).

Fines for overdue books have also been regarded as an important part of a library's income generating activities.

In spite of the widespread acceptance of the imposition of charges for non-book materials, the sum total raised has never been large. The national norm is considered to be 6% of budget, with the London Borough of Sutton being acknowledged a leader in the field of revenue raising, generating 17% of its income in this way (Aalto and Knight, 1997, p. 8). To put this in context, the following chart illustrates Sutton's income generating activities compared to other library services in Greater London:

Income per 1000 population:

Sutton £2691

Bromley £1783

Barnet £1718

Richmond on Thames £1603

Redbridge £1442

Croydon £1248

Harrow £ 803

Kingston on Thames £ 788

Sutton: income breakdown:

Fines: £114000

Video hire £ 82000

CDs/Cassettes £ 82000

Book sales £ 30000

Photocopies £ 12000 (profit)

Merchandising £ 23000

Out-of-borough subs. £ 8000

Hire fees (games machines, children's rides,

exhibition areas) £ 26000

Bars & catering £ 25000

Events/Commission £ 12000

Rents £ 80000

Other £ 73000

Total £568000. (Aalto and Knight, 1997, p. 8).

With regard to Internet access, charging policies represent a significant debating point, with no real consensus as to what is reasonable or expedient to charge. No-one has made a study as to how charging influences the nature of use. Batt's survey of IT in public libraries reveals the following:

Diffusion of Internet Access

1995 1997

Library Authorities with access 53% 77%

Service points with access 142 (3%) 357 (9%)

Service points with public access 28 (0.7%) 215 (5%)

Number of workstations: staff 355 908

Number of workstations: public 39 321

(Batt, 1998, p. 16-17).

Of those with Internet access, the following charging policies are in effect:

Fee No. of libraries

Free 20

£1 per hr 2

£2 per hr 5

£3 per hr 12

£4 per hr 5

£5 per hr 30

£6 per hr 3

(Batt, 1998, p. 36).

The 'going rate' amongst those who charge seems to be £5 per hour, which is also the rate charged by Input/Output, a commercial firm which has installed Internet centres in 21 public libraries on a contracting-out basis. This scheme removes the need for capital investment on the part of library authorities and assures them of a regular income from a percentage of the takings. Batt estimates that free Internet access is most likely to be found in London and least likely in the English counties, and he calls for a consistent, equitable approach to the provision of these services across the land (Batt, 1988, p. 38).

One source of information about charges made in public libraries in England and Wales is an annual survey carried out by SINTO (Sheffield Interchange Organisation). Now into its 12th edition, (Robertson, 1999a), it was started by Pat Coleman, the then Director of Sheffield City Libraries, presumably as part of a gathering of management information for internal use. It is now sold at a cost of £25, and at this price 'covers its cost plus a little bit spare', (Robertson, 1999b). The publication contains only raw data, based upon an annual questionnaire, and surprisingly has received little attention in the LIS literature. There has been no attempt to analyse the data, or to draw conclusions about trends. As such, its use is fairly limited. We can see, for example, that fines range from around 5p to 10p per day, and that reservation charges are around 50p to £1. Of some interest is the last question about 'Other Charges', which might be used by someone looking for ideas for their own libraries, for services which might be fee-based. These include: display of commercial notices; bulk loan of Asian books, music scores and play sets; 20% commission on sale of publications and artworks; sale of redundant stock; local studies or family history research; hire of exhibition space; output from Community Information database or sale of complete database.

Republic of Ireland

A gloomy situation has been well-documented in the Irish Republic, where the library service was described as being 'on its knees' as a result of financial cutbacks. The introduction of registration fees came in a way that was too little or too late to alleviate the problem. These are the findings of a report, *Irish Public Library Service Statistical Analysis 1982-93,* which is summarised by Martin (1997). The situation arose with the coming to power of the Fianna Fail party in the 1977 general election. Their election promise was to abolish domestic rates, which were a vital source of local authority funding. A Rate Support Grant was intended to supplement the loss of income, but this was never sufficient and fell from £280 m. in 1984 to £172 m. in 1993. An Act of Parliament gave local authorities the discretion of levying charges for services, including library services. A few authorities had, in fact, made small charges for library registration prior to this, ranging from £0.12 to £5.00. By 1993, of the 31 local authorities, 22 had registration fees between £1 and £5, three charged per item issued, two charged £10 and four had no registration charge. At the same time as this was happening, the majority of libraries experienced cuts in their bookfunds. In 1984, the total national acquisitions fund was £3.26 m. In 1988, it was £2.285 m., a 30% decrease. There was, it seems, a gradual deterioration of service, a downward spiral at a time when the public were being asked to pay fees:

> Cuts in book funds prevented many book titles being purchased and led to a gradual deterioration in book stocks. This, combined with increased membership charges and reduced opening hours due to staff shortages, contributed to a gradual disillusionment with the public library among many members of the public.

(Martin, 1997, p.103).

In his analysis of the statistics in the report, Martin notes wide variations around the country. In particular Dublin City and County, which had free membership, managed to increase the number of library registration during the 12 year period, though it still lost some ground on issues:

1982 1993 Net plus/minus

Registrations

Dublin 291,963 402,946 +38.01%

Rest of Ireland 411,344 358,451 -12.86%

Book issues

Dublin 4,451,508 4,186,054 -5.97%

Rest of Ireland 10,370,815 8,609,225 -16.99%

Martin drew the following conclusions from the study:

- sharp increases in registration charges resulted in loss of membership;
- gradual increases in registration charges did not result in significant decreases in membership except where bookfunds suffered considerable cuts;
- library authorities that achieved a steady increase in bookfunds also increased issues and membership;
- free membership did not ensure an increase in registrations and issues, except where accompanied by an increase in bookfunds and overall quality of library service;
- a decrease in adult membership in many instances resulted in a corresponding decrease in children's memberships, even where no registration charges were imposed on children;
- where new libraries opened, complete with new bookstock and modern facilities, an immediate increase in membership and issues occurred.

(Martin, 1997, p.104).

Furthermore, without central government intervention, wide discrepancies in standards had arisen throughout Ireland. Over the 12 year period, the following ranges were recorded in the 31 library authorities:

Low High

% of population registered 5.03% 61%

Issues per head of population 0.46 8.12

Acquisitions budget per head £0.07 £2.82

Total expenditure per head £1.21 £17.47.

It is clear from this analysis that fees do not work, if they are used as a last-ditch measure in an attempt to solve severe financial problems. The public perceived they were being charged directly and charged more for a dwindling service, and voted with their feet accordingly. One regrettable result was the decrease in loans to children, even though no charges were imposed on them, since parents are instrumental in establishing a reading and borrowing habit in their offspring.

New Zealand

A unique feature of New Zealand public libraries has been the co-existence over a long period of a free and a rental collection. A distinction was made between fiction of literary merit and novels

which had only light entertainment value. The two have existed side by side for many years, housed on different shelves in the library, and the New Zealand Library Association assisted by producing lists of new titles which classified them into the two categories. The history of this system originates in the transformation of the subscription libraries of the 1930's into the largely publicly funded libraries of the 1950's. When this transformation was occurring, it was felt that public funds would probably not be forthcoming in large enough quantities to maintain the large and popular light fiction collections and at the same time to build up serious literary collections of sufficient scope to be worthwhile. Furthermore, many librarians believed that the rental collection allowed both the satisfaction and control of popular demand (Griffith et al. 1997, pp. 184-186).

In the 1960's an analysis was carried out into borrowing habits and the relationship between the free and rental collections in Lower Hutt Public Library (O'Neill, 1969). As well as providing useful statistics, the author comments upon public library roles at the time, one of these being that of widening the scope and range of what borrowers read. This could only be done if people came into the library in the first place, and the rental collection was regarded as one of the major attractions. O'Neill wished to examine the 'instrumental value' of the rental collection and to measure the extent to which 'entertainment reading' contributes to serious reading. The figures he presented were these: non-fiction comprised 65% of the adult lending stock and accounted for 34% of adult issues; fiction comprised 18% of stock and 24.5% of issues; the rental collection comprised 17% of stock and 41.5% of issues. 21% of visits to the library were for rental books only, with another 13% of visits were for both rental and fiction titles. It was probable, concluded O'Neill, that if Lower Hutt Public Library had discontinued its rental collection, adult visits would have fallen by 30% (O'Neill, 1969, p. 205). Sadly, this article, which is replete with statistics of all kinds, provides no information about the income received from the rental service and its relation to the overall library budget.

Rental collections typically consisted of romances, detective stories and Westerns, but some librarians also made a distinction between books in high demand and books in low demand. Canterbury Public Library, for example, applied rental charges to high demand books, whilst at the same time placing other copies in the free collection (Griffith et al, 1997, p.185). This practice is being revived in the 1990's with the introduction of 'bestseller' collections in public libraries, with titles derived from bookseller's or newspaper lists. A recent example is Tauranga District Libraries, where a High Demand Collection was introduced in September 1998. The cost of borrowing from this collection is $1.50 for two weeks, including CDs and videos. Additionally, there is a 'Hot Favourites' selection with a higher price tag of $5.00 per week and this is limited to 100 items. At the same time, Tauranga Libraries are making more adult fiction free to borrow, up to 60% from a previous 40%. It is stated that:

> the problem of balancing the need for free information with the need to provide up-to-date resources is one which is unlikely to be solved... We must face the facts that a completely free service leads to stock which becomes shabby and out-of-date, whilst a service which entails a degree of user-pays will enable staff to maintain attractive up-to-date resources.

(Behind the scenes, 1998, pp. 1-2)

At Tauranga, it was decided to establish a separate business unit for the rental collection, so that statistics relating to its income and expenditure could be studied in isolation from total library revenues. If successful, it would be free to reinvest profits into expanding the rental service. In addition, sophisticated accounting practices were employed, including NPV (Net Present Value calculation), which is a way of comparing costs and revenues over a period, say ten years. The intention was to demonstrate that, as a pure investment, the project could offer rates of return that were greater than other low risk investments. The model of calculation on an item with a revenue earning life of 4.5 years and an average of 11 issues per year showed a yield marginally better than an 8% investment over the same period, (Peacocke and Nees, 2000). The authors conclude that they have been able to demonstrate to Council the financial viability of the rental collection and that this model of accounting could be applied to the establishment of other entrepreneurial services, such as a dvd collection or a CD-ROM games collection. Users appeared

happy with the service, which showed a 15% growth over the past year, and the close monitoring of the system enabled waiting lists for books and time delays for reservations to be reduced dramatically. The scheme clearly shows the benefit of applying sound business principles to the administration of fee-based services, by separating these from the free service.

New Zealand public libraries in the main have not proceeded with annual subscription charges, with the exception of one authority, Wanganui, where a subscription fee of $4 was introduced a few years ago. It does not meet all their needs for revenue, so it was still necessary to charge for many loans and other services. This was the result of a conscious decision to to raise some money from membership and some from user charges. It means that someone wishing to use the library twice a year is not put off by a high joining fee. The bulk of revenue comes from people using the library the most. One problem, though, is evasion of the subscription fee by attempting to use other people's cards. Wanganui defends its stance on charging by claiming that there is still free access to the library itself; it is simply those wishing to use the 'value-added' service of borrowing books who must become fee-paying members, (Calvert, 1999).

An academic study of Wellington Public Library's pricing policies was carried out in 1992/3 which provides an in-depth analysis of many of the practical issues surrounding the fee or free debate (Gray, 1993). In August 1992, Wellington implemented user charges for sound recording, video and art reproduction loans, and inter library loan requests. There was also a proposal to introduce a reservation charge, but this was dropped after a public outcry. A business plan was drawn up which included estimates of demand for services and a corresponding income target of $181,000. The costs and charges were as follows, in NZ dollars:

Item/service Unit cost$ Proposed charge $ Actual charge $

Children's bk $2.76 $0 $0

Adult bk $3.63 $0 $0

Periodical $3.97 $0 $0

LP $1.60 $0.50 $0.50

Cassette tape $2.26 $1.00 $1.00

CD $2.89 $2.00 $2.00

Video $3.97 $1.00 $3.00

Art repro $7.31 $2.00 $5.00

ILL $7.24 $3.00 $5.00

Reservation $7.27 $1.00 $0

(Gray, 1993, p. 5).

Gray suggests that the major motivation was the large costs associated with the operating of a new central library building as well as a sympathy for the prevailing user-pays sentiment. Though the Council remained convinced of the importance of a 'social goal objective', in that loans of books and periodicals should remain free of charge, they applied a different pricing objective, that of partial cost-recovery, to other services, such as the provision of audiovisual items. There was also a third consideration, with regard to reservations and interlibrary loans. The staff felt there was a need, given the high unit cost of these services, to curtail demand, since many requests were not collected and thus represented an inefficient allocation of resources. 'Pricing was a way to encourage the users to value the services, and not to impose unnecessary costs on the Library' (Gray, 1993, p. 7).

Gray's study evaluated the pricing system six months after its introduction. She discovered that the

Library was expecting to achieve only 65% of the income target for the year. In the first two months, issues of audiovisual items dropped sharply and then evened out in the next four months. What is also interesting is that the new charges had an adverse effect on all library borrowing, with issues dropping by 3.1% in August and by 6% in September. These are winter months when the normal trend would be for issues to rise. The result was that for the six months July 1992 to February 1993 Wellington Public Library failed to meet its target of 250,000 issues per month across all service points (Gray, 1993, p. 35). Unfortunately there are no later figures published and the current Librarian has not been able to provide any to the author. Gray comments that the income targets and the issue rate targets are conflicting goals. The Library did not have a formal evaluative measure in place for determining the success of the pricing exercise, which would allow for a refinement of the original pricing decisions. Informally, Gray was told that 'issues were more important, but Council still needs the money, and the Library's budget is lean enough without having 'failed' income targets sliced from within it' (Gray, 1993, p.37). This case study indicates that it is perhaps more important to be seen to be making a contribution to revenue in financially difficult times and that the gesture is more important than the substance.

The impetus to impose charges increased in New Zealand with the 1996 Local Government Amendment Act No 3, which required local authorities to set out funding plans for all the services they provided. There was an expectation that a stated percentage of revenue should come from private, as opposed to public, funds. This percentage varied around the country, and was the subject of negotiation, but an 80% public and a 20% private division was not uncommon. Research was carried out by Calvert into the impact of these changes on public libraries. Of 60 responses (itself an 80% response rate), only 11 library authorities had had their budgets cut. The most common scenario was for a library to have its revenue maintained and at the same time to find methods of increasing income up to the declared percentage level. This led libraries to introduce CD collections or Internet access as fee-based services, simply to raise additional funds. It did not appear to matter that these services failed to recover costs: any contribution to revenue was regarded as a step in the right direction, given the current political climate. Setting up such a revenue stream through charging was regarded by both staff and users as being preferable to cutting services or making economies in the collections budget (Calvert, 1999b). This research indicates that charging fees has become a fact of life in New Zealand's public libraries and that librarians are looking in a pragmatic manner for survival mechanisms in a climate where public funding will never be adequate to meet all the demands of a quality service. Calvert takes a quotation from Samuel Johnson for the title of his paper:

> This mournful truth is ev'rywhere confess'd
>
> Slow rises worth by poverty depress'd.

Worth, or value, to the community, says Calvert, struggles to grow and prosper if the essential nutritional elements are lacking.

Lessons from the three examples

In the United Kingdom, there is a pragmatic acceptance, based on a tradition of charging for non-core services, such as audiovisual media, with a general consensus inside and outside the library profession that this is an acceptable road to take. This is in the light of a recognition that public libraries are utilised most by a middle class who can afford to pay for these services:

> Public libraries, as institutions of the capitalist state, are configured like many other agencies, in favour of the middle class, who consume public goods to a disproportionate extent. During 2000, the 150th anninversary of public libraries is being celebrated. These institutions were ostensibly established to meet the needs of the Victorian 'deserving poor' and yet, 150 years later, they are disproportionately used by the middle class,
>
> Pateman, 2000, p.82.

In countries where there is an urgent need to find more revenue to fund the public library service,

because of large-scale financial cutbacks from the public purse, strategies for charging need to be carefully planned. It is far easier to charge for new and innovative services which appear to satisfy a real client need, than for core services which have been free in the past. The Irish scenario demonstrates that the public is unwilling to pay for these core services and a downward spiral is set in motion as people back away from a dwindling collection, thus bringing in less revenue that was anticipated. This may be avoided if fees are accompanied by a marketing exercise, or if market research has shown that new, enhanced or niche services may succeed in a particular environment. Such services often attract users into the 'free' library, as with the New Zealand rental collections, and the revenues received may be used to cross-subsidise less profitable areas.

Part Two: The Singapore Experience

Singapore is a wealthy country, whose ongoing economic prosperity has survived the Asian economic crisis of the late 1990's. A healthy financial surplus has been achieved by government year after year and a proportion of this has gone into projects to build up infrastructure for the benefit of future generations. Among these projects is a massive expansion of the public library system, as outlined in the Library 2000 Report, with a commitment to spend S$1billion over an eight year period (1996-2004). Details of the plan are summarised by Hepworth and Harvey (1996), who compare the initiative with Australia's lack of action in this arena. Singapore's promotion of information literacy throughout the whole population, including those already in the workforce and therefore outside the traditional education system has been discussed previously (Butterworth, 2000). At this point, it is sufficient to note that any policies put in place by the National Library Board (NLB) in relation to charging for services occur in the context of well-funded libraries. There is a completely different rationale for imposing fees which will now be examined more closely.

Information is seen as valuable, an aid both to business decision making and to an enhanced lifestyle. It is also costly to produce and costly to access, in an age when more and more of it is stored digitally. These attributes are well understood by information professionals but not by the general population. Society needs educating into the realities of today's information marketplace. To give it away free would not send the right message to Singaporeans. Further, the government has an across-the-board policy of limiting the use of scarce resources, whether these are medical services or roads into the central business district or, indeed, library books. Charging fees is the simplest means of curbing unreasonable and excessive consumption. There is in Singapore what is known as the 'buffet table syndrome' where people are tempted to load up their plates at a buffet regardless of how large their appetite is. The Chief Executive of the National Library Board expressed it in these terms:

> Some people always choose the maximum that they think they can consume, without actually being able to consume it. They get indigestion. So that's one of the primary reasons why we introduced a modest fee, for the purpose in a sense of discouraging overconsumption of scarce resources... Society is limitless in its consumption. So we say we have to meter out, if you like, consumption.

(Chia, 1998).

Chia was here referring to a plan to charge the public for borrowing more than the standard 4 books per head. For the previous few years, the borrowing limit had been 8 books per head, but the number was reduced, since Management took the view that overborrowing was occurring in the sense that people always borrowed up to the limit, regardless of how many books they could actually read. Keeping the books on their shelves at home effectively prevented others from accessing those books. Charging was viewed as a means of reducing extravagant wants to the level of realistic needs.

Chia also justified charging for access to electronic information, whether this was in the form of CD-ROMs, video or the Internet. Access in the library was limited by the number of terminals on the site, and when the use of such terminals was free, long queues of children formed at opening

time, and they booked up the terminals for the whole day. This prevented other users, with a sudden urgent need for information, from obtaining it. It was decided to impose a small fee of $2 per hour. This has effectively regulated demand. There are no queues to be controlled and a booking system is unnecessary. It appears that even a small charge makes people ask themselves whether they have a genuine need for the service. Chia does not see $2 as an excessive charge which might deter people from using the Internet. Compared with the expense of setting up equipment at home, it is in fact a bargain: 'For $2 they get the power of the best content. So if you look at it, $2 is not a bar, it's an encouragement', (Chia, 1998). He regards the library as a social leveller in providing Internet access to those who cannot afford their own equipment at home.

The issue of charging for services was dealt with briefly in the Library 2000 Report in a section entitled 'Quality Service Through Market Orientation':

> To ensure that the library services meet real market demands, the Committee recommends that library services such as alerts, information analysis and document delivery be chargeable. Basic services such as lending should remain free. Chargeable services should still be subsidised, although in cases where they provide exceptional value to users, they can be priced at full cost recovery or market rates.

(Library 2000, p 87).

Clearly, the planners saw the imposition of charges as a management tool which would allow the market to test the relevance and evaluate the quality of new and non-core services. This was particularly important, they felt, as public libraries were now facing competition and people needed to be 'enticed' into becoming active users. As people become 'more sophisticated and affluent, they expect higher standards of service', (ibid, p 86). The basic core service of borrowing 4 books for 21 days is free of charge. Apart from this, charges are imposed for many small services, which in other countries tend to be free. These are listed in the following chart:

NLB Fees

Fines $0.15 per day

Renewals $0.50 per item

Reservations $1.55 per item

Membership for non-citizens,

resident in Singapore $10.30 p.a.

Lost membership cards

under 15 years $1.00

15 years & over $5.00

Lost/damaged materials

cost plus admin fee of $5.15

Lost/damaged casing for CD

or video $1.03

Note: the odd amounts are accounted for by the 3% GST.

(Source: leaflet of library regulations for new members, 1998).

In addition to these basic fees, and after a number of years of experimentation, a new 'Premium Service' was introduced in August 1999. On payment of an annual subscription fee of $20.60, borrowers could take out an additional four books or magazines, plus the videos and CD-ROMs already available at selected branches.

Cashless libraries

As has been noted, the NLB charges small amounts for a variety of services. In other countries the administrative costs of collecting small sums of money are regarded as too high for any financial benefit to accrue. There are also fears that library staff may be put at risk by the danger of petty theft, if money is known to be on the premises. Smart card technology has the potential to solve all these problems. The Singapore government saw the benefits of electronic transactions and pioneered the development of a national cashcard. The system was developed at a cost of $40 million over five years by a consortium of seven local banks , which also operate the NETS system of ATM machines. It was estimated that the payback period would be 14 years. The cards were officially launched in November 1996, (Chia, 1996). They incorporate a small electronic chip, which allows the card to be loaded and re-loaded with cash, and have the potential to be used as an 'electronic purse' for small amounts of money when it would not be appropriate to use a credit card. The benefits of the system were described by the NLB's Director of Corporate and International Relations:

> It is part of the whole government initiative to try to get business and service providers and members of the public to start using cashless payments. Because I think there is a lot of inherent inefficiencies in handling cash: both on the part of the users as well as the service providers. They made a study: there is a lot of backroom work: receiving cash, a lot of precautionary measures every day, you've got to count and tally the cash, check the accounts, keep the cash, arrange for the cash to be banked, arrange for security guards if it's a large sum of money. All this actually consumes a lot of work, a lot of cost, and it translates to inefficiency in the system. If you look at it institutionally, if you look at it globally, it translates into a lot of productivity lost. So that's why the government for many years now has been encouraging various service providers, ministries and departments which provide services, to move towards cashless.

(Ng, 1998).

When the NLB adopted the use of the cashcards, there had been few instances of their use in libraries, and these were in the academic sector. One such trial took place at the University of Exeter in the UK, beginning in October 1996. A detailed account of the technology of smartcards, as well as the practical problems of their implementation in a university library is provided by Myhill, (1998). They seem particularly suitable for use in discrete communities, such as universities, where it is easier to insist that every member obtains a card. In the world at large, there is always a certain amount of resistance to the use of such technologies, which means it is difficult to achieve a critical mass of users. In Western Australia, the E-Card was issued to 450,000 members of HBF, the state's largest private medical insurance company, in August 1998, (HBF cards get smart, 1998). It has been slow to take off, however, because people seem to prefer to go on using cash for small purchases. In Singapore, government intervention was instrumental in assuring wide adoption of the scheme, with large traders such as the FairPrice and Cold Storage Supermarket chains, Guardian Pharmacies and Singapore Post embracing the technology early in the piece, (Chia, 1996). The Electronic Road Pricing Scheme ensured that motorists using the most congested sections of freeways would all have cashcards in their possession.

The process of going cashless was not without problems, both for library staff and their clients. A major difficulty was that children, who made up around 50% of library users, did not have cashcards. A publicity campaign was mounted in the weeks prior to the changeover, and the staff were trained in responding to 'Frequently Asked Questions' in order to ensure that they were fully

conversant with library policy on the matter. In hard cash terms, the amounts collected from the machines are not inconsiderable. As an example, this chart shows the collections from the four machines at Choa Chu Kang Library for the week beginning 7 September 1998:

	Counter Machines		Public Machines	
	1	2	3	4
Cash	$517.64	$1,861.18	$175.81	$442.40
Transactions	83	283	48	232

Source: NLB internal statistics gathering sheet.

These weekly returns, based upon daily settlement sheets, which the machines print out, provide a wealth of detailed management information which is crucial to monitoring the system. The collection of this money in hard cash would be very time-consuming if done manually, both in the handling of the many small transactions and in the balancing of the books at the end of the day. The smart card system, when running smoothly, will undoubtedly mean that staff can be re-positioned in a more service-oriented capacity. However, to arrive at this situation has meant a lot of trial and error, both in programming the machines and in educating the public to use them. It is unlikely that this could have been achieved without the driving force of the ideology of a cashless society, described earlier by Ng.

Other initiatives

Perhaps the most difficult part of Singapore's strategy to implement has been the policy of charging for value-added services. Calculating how much to charge for the more labour intensive services such as reference, business information or even the innovative home delivery service has been fraught with problems. Striking a balance between what the market would stand and what the library's political masters desired to see in terms of profit, or cost-recovery, was not easy. The NLB senior management team had a brief to look for new services which would at once attract more clients and raise the library's profile, but they were hampered by a population which had never been exposed to such services and were accustomed to viewing their public libraries as being out of date and indeed not worth visiting even if they were free!

The experimental (HDS) Home Delivery Service was introduced in December 1993, at a time when stock was being collected prior to the opening of Tampines Regional Library, when the new building was still awaiting shelving and other internal fittings. Library members could search the online catalogue remotely, request up to four books and have these delivered to their home by Singapore Post. The new service received a lot of press coverage and was popular initially mainly because all the requested titles were available, receiving an average of 100 requests per month in its first year of operation, (Home delivery service working out well, 1994). After the opening of Tampines in 1994, titles wanted for HDS were often not available immediately because most of them were on loan to users. Since then interest in the service has declined. The NLB looked into ways to re-vamp it during 1999, firstly by commissioning a user survey, including feedback from focus groups, (Tay, 1999).

Using the strategy of forming synergetic partnerships, the NLB signed a Memorandum of Understanding with Singapore Post on 11 January 1999 to conduct a joint study to look into the feasibility of establishing the Library Delivery Service, an extension of the old HDS. The successful tenderer for the market survey was Media Research Pte Ltd, a company employed by the Television Corporation of Singapore for its survey of the popularity of its programmes. The objectives of the survey were to discover if Singaporeans, both in the general population and in the business sector, were receptive to the idea of a library delivery service and if so, how much they were willing to pay for such a service. In total, 419 respondents were interviewed at 5 community libraries, 751 respondents were interviewed through house-to-house visits (users and non-users of libraries), 220 business representatives were interviewed by telephone, and finally 46 past and current users of the Tampines HDS were telephoned. It was a costly survey and the results were somewhat

inconclusive, from the point of view of a library manager deciding on whether it was worthwhile introducing an island-wide library delivery service. Overall, the enthusiasm for a service was luke-warm, with most interest coming from the business sector and from those people who lived furthest away from a branch library. The most interested segment within the general population were those in the 30-34 age-group, professionals earning at least S$6,000 per month. It was recommended that the NLB should target these people in their advertising campaign (Executive Summary, 1999). This exemplified a major weakness in this type of market research: asking people if they might use a service, the quality and usefulness of which they are unable to judge in advance, is likely to yield unreliable data.

The area which has most potential for the transformation of expertise in librarianship into a value-added component which can be fee-based is reference service. It is, however, the area where quality control is problematic. The fall-out from the research studies of the 1970's and 1980's, which demonstrated that reference questions were only answered correctly around 50% of the time, (Hernon & McClure, 1987), is hard to escape from. There are nevertheless success stories around the world, both in the public and academic library sectors, where reference services have been turned into profitable businesses. The NLB would like to become one of these. Members of the management team have visited Shanghai, London and various parts of America in search of ideas as to how it can be done. Whilst the National Library in Stamford Road was closed for renovations for a period of 9 months in 1997, planning began. It was felt that a 3-tier reference service was the model to implement. Tier One would be for quick reference queries, taking a few minutes, to be dealt with by paraprofessionals. Tier Two would be more complicated questions, to be dealt with by professional reference librarians. Tier Three would be research questions which need to be referred to subject specialists. It was expected that Tiers Two and Three would be chargeable services, with a suggested flat rate of $10 for Tier Two and $30 for Tier Three, (Sidek, 1997).

There were serious qualms by the operational staff as to whether the public would receive value for money under such a system. Firstly, the paraprofessionals had never answered reference queries before; they had simply assisted users in the use of the OPAC in order to identify titles. For these paraprofessionals to decide whether they themselves should be able to answer a query or whether it should be referred to a professional would be difficult, especially when the Asian dislike of 'losing face' is taken into account. Secondly, the professional staff themselves were mostly new recruits, some from overseas, and therefore unfamiliar with Singapore current affairs, and some young graduates, still taking the Masters Course at Nanyang Technological University. At both professional and paraprofessional levels, there was a staff shortage. As well as staffing the Information Desk for personal visitors, there was a separate service, known as Reference Point, for remote enquirers. Here the staff responded to all incoming queries, whether via phone, e-mail, fax or conventional mail. It appears that the worries of the ground staff were finally taken on board by management, as the new fees structure still has not been implemented. The reason given was that the Asian economic downturn made it an inauspicious time to do so. In practice, the delay has given the staff plenty of time to put in place a three tier system of operating, but without the charging element.

During this period, work was also started on the creation of an enquiry database, to record queries, the action taken and the response given. This was seen as both an important source of management information and a means of building collective expertise within the team of reference staff. It also fitted into the overall NLB policy of employing technology to improve quality and save staff time.

> It's basically to help us manage our services, like our collections: this is what kind of enquiry we are answering well, what we are not answering well. Collection development: all those implications as well. Also, performance measurement. Tells us what we are doing right and wrong... Now we search it because we want, say: OK, I have this question. Let me see if any other staff has done some work that I can use, and go from there. It's more like a tool for us.

(Wee, 1998).

There was also a plan to make use of this database in the branch libraries, where there would not be a reference collection or any reference staff as such. The branch staff could search the database to answer queries they received, and if they were unable to find an answer, they could forward the problem to the staff in the Central Reference Library. Built into this database from the start was a charging module. This was designed to manage the whole charging system, from calculating the amount to be charged (depending on issues such as administration fees, specialists' time, fax charges, photocopy or other document delivery charges, fees for searching online databases, GST, etc.) to monitoring if and when payment was actually made.

An area of concern in Reference Point was how to charge. Personal visitors to the library could pay by cashcard, but the remote enquirers could not be charged in this way. The suggestion of using credit cards was tabled, but some staff felt that this would disadvantage lower income users, who may not have a credit card. Also the amount might be too low to permit the use of a credit card. Allied to this, was the problem of providing responses electronically, when it might be seen as a breach of copyright to transmit, say, a newspaper article retrieved from a database such as FT Asia. At present, staff could only supply a summary of the information; if the enquirer needed to see the full text of the article, then they would have to make a personal visit. In November 1998, it was expected that the twin problems of charging remote users and the copyright issue would be solved in the near future, in time for the implementation of fees for reference service, (Wee, 1998).

Co-incidental with these preparations for streamlining reference services is a plan to establish a call centre to deal with remote enquiries, whether these are reference enquiries in the true sense or whether they are questions regarding library rules and regulations, ranging from opening times to information about services. In other words, the plan is to divert all incoming calls to branch libraries to the single call centre, where the telephone system distributes the calls (after giving the caller the opportunity to select a digit on their telephone) to operators who specialise in that type of enquiry, or perhaps who can handle calls in a particular language. The use of call centres and their potential for the library and information community has been briefly summarised by Milner (1999). This includes a controlled process for the consistent treatment of customers, through a highly systemised way of working, better use of scarce specialist staff and reduced costs per transaction. In Singapore, the well-developed telecommunications infrastructure lends itself to the establishment of regional call centres. Hewlett Packard's call centre, for example, fields calls from all over Asia, in many languages. The NLB's Reference Point was designed with 10 terminals. In November 1998, only 3 were in use at any one time, and these were devoted to traditional reference enquries. The telephone system distributed the calls evenly between the 3 operators who are all reference librarians. Reference Point received one third of all reference enquiries, that is 2000 out of 6000 per month, (Wee, 1998).

It remains to be seen whether it is feasible to combine the call centre concept with that of a remote reference service. It is certainly an easier proposition to centralise all incoming library calls which deal with operational aspects of the lending service, and it would be more economical to site this type of call centre outside the Central Business District, with its high land values. Answering reference enquiries needs access to a specialised collection of printed and electronic sources, which will also be needed in the Central Reference Library itself, and relies on experienced reference staff whose expertise can be assisted by, but not replaced by, access to an Enquiry Database such as the one under development.

Conclusions

This paper has attempted to summarise different ideologies which underpin policies for charging fees in public libraries. Sometimes these policies conflict with a library's overall mission of encouraging access to information. However, in today's economic climate, the financial outlay necessary for maintaining and improving access especially to electronic information is growing more and more costly. It is becoming greater than the public purse will bear. Singapore's purse is deep, yet that country has adopted a policy of educating the citizenry about the value and cost of information. The implementation of this policy has not been easy. Experiments with innovative services and pricing levels are still ongoing. These are worthy of observation by other countries

where it may be harder to effect change in the face of long-established traditions.

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